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Record consumers incomes continue to support a strong U. S. demand for food.

Income per person, after taxes, in the first 3 quarters of this year was at an annual rate of \$1,553 compared with \$1,497 for 1952. Expenditures for goods and services were at a rate of \$1,441 per year, 4% above last year. Of this, food expenditures per person made up \$409, \$3 more than in 1952. The slight rise in consumer spending for food over 1952 has occurred even though retail food prices are a little lower.

Food expenditures have about kept pace with the rise in income over the last 15 years. This year, consumers are spending about 26% of their income for food. The proportion has ranged between 26% and 28% each year of the postwar period.

Conditions in business and industry remained generally prosperous in the first 3 quarters of 1953. Federal government demands have slackened slightly since the second quarter with the reduction in defense spending. However, outlays by state and local governments have increased slightly. Businessmen probably are cutting back a little on spending for new plants and equipment from the peak level of the third quarter but construction activity in October reached a new high for the month. Industrial production is running only a little below the unusually high level of the first half of the year and unemployment is low.

Retail sales in October were only a little below the high rates of the second quarter. Production is running ahead of sales and inventories continue to accumulate, though at a slower rate than in recent months.

LIVESTOCK AND MEAT: By early November, the seasonal decline had reduced prices of barrows and gilts at Chicago about \$4.50 below average for September. Marketings have about reached the fall peak and prices probably will turn upward by the end of the year. They are expected to stay higher than a year earlier this winter.

Fewer cattle will go on feed this season, according to prospects at the end of October. Movement of feeder cattle into 9 Corn Belt States from July 1 through October was almost a fourth less than a year earlier. Only a few States are likely to have as many or more cattle on feed as last year. With the reduction in numbers on feed, prices of fed cattle are expected to hold up well. Prices of better grades have shown little change since mid-July.

Sheep and lamb feeders also are fattening fewer animals for winter and spring markets. Slaughter lamb prices probably will increase somewhat in late fall and early winter.

DAIRY PRODUCTS: Milk production has been declining seasonally and output of manufactured products has been below the rate of consumption as is usual at this time of year. Relatively little butter has been sold to the Government under the price support program recently, but cheese and dry milk sales have continued moderately large.

The milk flow will soon begin to increase seasonally. Output in October—8,779 million pounds—was a record for the month.

POULTRY AND EGGS: Egg production in each of the last 5 months has been above a year earlier. The rate of output on November 1 was 9% above a year earlier. By early November, wholesale prices had dropped below those of the same period in 1952.

Prices of small turkeys have risen recently while prices of large toms have been about steady. Broiler prices in several producing areas in early November were at the lowest levels of the year.

FATS AND OILS: With the smallest crop since 1949 in prospect, soybean prices have risen to the support level. Cottonseed prices in November were about at support while flaxseed prices were below. Prices of all three oilseeds are below a year ago.

FEEDS: Early maturity of the 1953 corn crop brought an early seasonal decline in prices. In mid-October, farmers were getting an average of \$1.34 per bushel, 26 cents below the national average support level.

Large quantities are expected to go under the loan program which would strengthen prices later in the marketing year.

The index of prices received by farmers for feed grains was 14% below a year earlier in October. The wholesale price index for high-protein feeds was off 26%. Both indexes are the lowest in over 3 years.

WHEAT: About 350 million bushels of 1953 wheat had gone under loan or purchase agreement by mid-October compared with 312 million bushels in the same period of last season. In mid-November, the CCC owned 427 million bushels, nearly all of which was acquired from the 1952 crop.

Large quantities going under price support have strengthened wheat markets. On November 18, cash winter wheat prices were 25 cents higher than on August 10, just before the vote on marketing quotas. Spring wheat prices were 37 cents above August 19, low point of the season.

FRUIT: Stocks of canned and frozen citrus products on November 1 in Florida were much smaller than on that date of recent years. With the crops larger, the quantity processed probably will increase over last year.

Apple and pear stocks at the beginning of November were slightly above a year ago while grape holdings were up about 30%.

VEGETABLES: About average supplies of fresh vegetables will be available this fall. Storage supplies of cabbage and onions are considerably larger than a year ago.

The late potato crop is about 3% larger than the 1952 crop. With movement of potatoes from late areas lagging behind last year, stocks next January 1 probably will be larger than a year earlier.

COTTON: The prospective cotton crop improved during October and the total supply for the season is estimated at $21\frac{1}{2}$ million running bales, a postwar high. With disappearance expected to be about 12.6 million bales, the carryover next August 1 will be close to 9 million bales. This is about as much as is used by domestic mills in a year. Carryover for the postwar years has averaged about $4\frac{1}{2}$ million bales.

WOOL: About 15 percent more wool was used by domestic mills in the first 8 months of this year than a year earlier. U. S. stocks were reduced as imports dropped about a fifth.

TOBACCO: Burley auctions begin at the end of this month. Farmers produced about 12 percent less than last year but increased stocks raise the total supply a little above 1952-53.

Most of the flue-cured crop has been marketed. Prices through mid-November averaged 8 percent above last season's average.

